

prescribed ceiling to these personnel without the approval of the Central Government. These limits apply to all public companies irrespective of the nature of their business. For other personnel, no ceiling on remuneration is provided under the law.

Inquiry into Walmart's lobbying activities

676. SHRI M.P. ACHUTHAN :
SHRID. RAJA :

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that the Ministry has ordered an inquiry into the lobbying activities of Walmart, the American retail giant; and

(b) if so, the details thereof and by when the inquiry is supposed to be completed?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SACHIN PILOT) : (a) and (b) *Vide* resolution dated 31.01.2013 a Committee, under Shri Justice Mukul Mudgal, former Chief Justice of Punjab and Haryana High Court has been constituted with the following Terms of Reference :-

- (i) To inquire into recent media reports on disclosures of Walmart before the US Senate regarding their lobbying activities and details thereof.
- (ii) Whether Walmart undertook any activities in India in contravention of any Indian law.
- (iii) Any other matter relevant or incidental to the above.

The committee is to submit its report within 3 months from issuance of the above resolution.

Action against fraudulent companies

677. DR. PRADEEP KUMAR BALMUCHU : Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether fraudulent companies are indulging into floating of ponzi schemes and other monetary malpractices;

(b) if so, the details thereof;

(c) whether Government is contemplating on establishment of a new Market Research and Analysis Unit to curb these ponzi schemes and the companies;

- (d) if so, the details thereof; and
- (e) the measures being taken by Government to safeguard the innocent citizens from such companies?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SACHIN PILOT): (a) to (e) Companies floating fraudulent investment deposits mobilizing schemes (also called ponzi schemes) under various guises are liable for action under the following laws:—

- (i) The Prize Chits and Money Circulation Schemes (Banning) Act, 1978 administered by Ministry of Finance (Department of Financial Services) through the State Governments; and
- (ii) Section 11AA of the Securities and Exchange Board of India (SEBI) Act, 1992 where such schemes are in violation of Collective Investment Schemes regulated by SEBI.

The following actions have been initiated:—

- (i) Minister of Corporate Affairs has requested State Chief Ministers to issue instructions to State Police Authority for vigorous action under Prize Chits Act. The Minister has also written to the Hon'ble Finance Minister to increase the surveillance by RBI over unauthorized NBFCs.
- (ii) Model rules under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 have been sent by the Ministry of Finance to State Governments for notification. This will enable initiation of action for ponzi schemes.
- (iii) Stepped up surveillance by SEBI.
- (iv) Campaigns by Ministry of Corporate Affairs, RBI and SEBI through advertisements and Investors Awareness Programmes.
- (v) Investigation/Inspection in respect of 87 companies against whom complaints in such cases have been received.
- (vi) The Market Research and Analysis Unit is in place in the Serious Fraud Investigation Office of this Ministry for capacity building, coordination with other investigating agencies and for market surveillance.